



RHODE ISLAND FED

\$18 MILLION PENALTY FOR ILLEGAL MERCURY STORAGE

“A significant penalty for what was a significant hazard to Pawtucket residents.” That’s how U.S. Attorney Peter F. Neronha summarized the \$18 million criminal penalty imposed against **Southern Union Company** for illegally storing hazardous mercury at a facility in Pawtucket.

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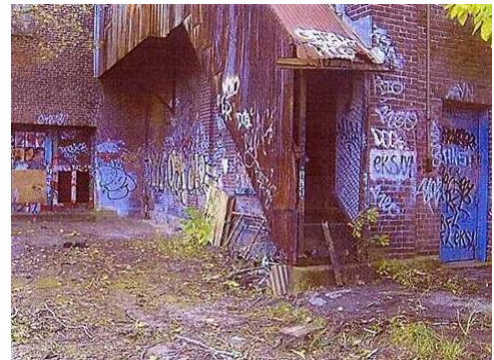
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Southern Union, which owned New England Gas, began removing mercury from customers’ gas meters in 2001. At first the company contracted to have the mercury shipped to a processing facility. That contract lapsed, however, and the mercury began to accumulate in a shed at a company facility off Tidewater Street in Pawtucket, near the Seekonk River.

Vandals broke into the shed in 2004, took several containers of mercury, splashed some of it about the site, and spilled more at a nearby housing complex. After the contamination was discovered about two weeks later, the complex was evacuated and its residents displaced for two months while the mercury was cleaned up. *(continued on page 7)*



The shed off Tidewater Street in which Southern Union stored mercury (trial exhibit photo)

U.S. ATTORNEY NERONHA NAMED TO ATTORNEY GENERAL’S ADVISORY COMMITTEE



Attorney General Eric Holder has appointed U.S. Attorney Peter F. Neronha to the Attorney General’s Advisory Committee (AGAC), which provides advice and counsel to the Attorney General on policy, management and operational issues. He is one of 11 U.S. Attorneys recently named to the AGAC.

“I will rely heavily on these U.S. Attorneys as we work to further our efforts to reduce violent crime and gang violence, promote civil rights, and preserve our national security,” said Attorney General Holder.

FEDERAL DRUG AND GUN CASES

Arrested near the scene of a shooting, admits to gun charges

Providence Police officers heard gunshots near basketball courts on Salmon Street, and then saw



Jonathan Rodriguez running with a silver handgun in his right hand. He tossed the gun before officers caught and handcuffed him, but they retrieved it. At about the same time, officers came upon an individual being treated by EMTs for a gun shot wound to his right



leg. He had been shot at about the time officers heard the gunfire. The shooting victim did not identify Rodriguez as the shooter and Rodriguez claimed to have found the gun just before running into the police officers. However, as a previously convicted felon, Rodriguez is prohibited from having a firearm. He pleaded guilty to being a felon in possession of a firearm. *Assistant U.S. Attorney Richard W. Rose.*

220 months in prison for planned robbery of drug dealers

Souvanh Keosouvanh told an undercover ATF agent who was posing as a drug runner that he could organize a crew to rip off the runner's suppliers. Keosouvanh showed up on the appointed date with three codefendants. One was armed with a shotgun, the others with handguns. They drove to a location in Cranston and along the way discussed plans for the robbery and how to take the drug dealers by force. The dealers did not exist, however, and when the four arrived at the muster location with the undercover agent, a team of ATF agents arrested them. Keosouvanh was sentenced to a total of 220 months, **Khek Choummalaihtong** to 131 months, **Nheat**

Nhim to 97 months and **Vixay Phommarath** to 72 months. *U.S. Attorney Peter F. Neronha, First Assistant U.S. Attorney Kenneth P. Madden.*

Illegal reentry, trafficking in Ecstasy

Jose Francisco Medina-Liz was deported to the Dominican Republic in 1993



after being convicted in Rhode Island state court of drug trafficking. He came back into the country and DEA agents found 994 Ecstasy pills on him in 2009. He pleaded guilty to drug trafficking and illegally reentering the country. After his prison sentence, he will again be subject to deportation.

Assistant U.S. Attorney Milind M. Shah.



FEDERAL DRUG AND GUN CASES

Ten-year sentence in heroin conspiracy

Steven Polanco and **David Contreras** sold 20 grams of heroin for \$1,500 to an undercover DEA Task Force agent. Agents arrested them a week later after they arranged to make another sale. Agents found a stash of heroin and a loaded handgun hidden in Polanco's car. More heroin was found at an apartment linked to Polanco. Contreras pleaded guilty to heroin trafficking and a firearms offense, and a federal judge sentenced him to 125 months in prison. Polanco was found guilty at trial of drug trafficking and possessing a firearm in furtherance of drug trafficking, and was sentenced to ten years. *Assistant U.S. Attorneys Sandra R. Hebert and Milind M. Shah.*



Brothers, both career offenders, sentenced for cocaine trafficking

Douglas and Marcus Denson dealt crack cocaine out of an apartment on Richard Street, Cranston. After watching Marcus Denson leave the apartment, DEA Task Force agents found crack and trafficking materials inside. They also found Douglas Denson hiding near the front door of the building, knocking on the first floor apartment and asking to be let in. Both Douglas and Marcus Denson had been twice previously convicted in state court of drug trafficking offenses. Both were considered career offenders under federal sentencing law and sentenced to ten years in prison. *Assistant U.S. Attorney Sandra R. Hebert*



Mailed kilogram packages of cocaine net guilty pleas, prison sentences

Marcos Castro Daly took delivery in Providence of a package from Puerto Rico containing a kilogram of cocaine. On another occasion, **Dimas Liranzo** accepted delivery of a package containing a kilogram of cocaine. Almost simultaneously, **Jeannette Hernandez-Javier** took delivery of a two-kilogram package, evidently from the same source as Liranzo's package. Undercover postal inspectors made controlled deliveries of the packages. The three recipients have pleaded guilty to federal drug trafficking charges. Daly has been sentenced to five years in prison. *First Assistant U.S. Attorney Kenneth P. Madden, Assistant U.S. Attorney Gerard B. Sullivan.*



CRIMINAL DOCKET SHEET

\$2.5 million mortgage fraud scheme

Pasquale Scavitti, III, an attorney who practiced in Cranston, diverted more than \$2.5 million in clients' mortgage funds for his personal use. When clients sold property or obtained financing, mortgage or refinancing proceeds were wired into the client escrow account at Scavitti's firm. The firm's obligation was to pay off existing liabilities from those loan proceeds. Between 2003 and 2008, Scavitti directed that the escrow funds be used to pay for personal expenses or to pay off previously delinquent mortgages. He used some of the money for gambling expenses: in one four-day period, he bought \$23,000 worth of casino chips at Foxwoods Casino. A federal judge sentenced him to 42 months and ordered full restitution to individuals and financial institutions. *Assistant U.S. Attorney Andrew J. Reich.*



\$1.7 million mortgage fraud involved sham sales

Lisa Torres bought houses in Providence that had recently been foreclosed upon and arranged sham sales to obtain financing. She bought nine properties for a total of about \$1.1 million, and obtained \$1.7 million in financing through the phony sales. Coconspirators falsified W-2 forms, pay stubs, and bank account balances to misrepresent the status of the purported buyers. A federal judge sentenced Torres to 46 months in prison. *Assistant U.S. Attorney Lee H. Vilker.*



Child porn trader is sentenced to prison plus life-time court supervision

Swiss Federal Police investigating a child pornography trader came across a screen name that they traced to the United States.



They notified U.S. Immigration and Customs Enforcement, who tracked the screen name to an address in Rhode Island and notified Rhode Island State Police. Agents and troopers executed a search warrant at an address on Home Avenue in Providence and seized computer equipment containing still pictures and video images of young children engaged in sex acts. Forensic analysis determined that **Brian Murphy** *(continued next page)*



CRIMINAL DOCKET SHEET

had been using a program called Google Hello to trade child pornography with about 70 other individuals. He possessed thousands of still pictures and videos depicting child pornography. A federal judge sentenced him to seven years in prison and subjected him to life-time supervision by the U.S. Probation Office. *Assistant U.S. Attorney Terrence P. Donnelly.*



Five guilty in identity theft scheme

Eric Snead and four coconspirators obtained duplicate credit cards of victims' accounts and used the cards at casinos, auto club service centers, and retail stores to obtain cash and merchandise. After scanning credit reports, Snead obtained identity information of nearly 50 victims, created temporary drivers' licenses, using his and coconspirators' photos in place of the victims', ordered duplicate credit cards, and used ruses to intercept the card shipments. They compromised the victims' accounts through cash withdrawals and purchases of televisions, computers and other electronic equipment, which they sold. Snead also used a victim's card to finance a trip to the Presidential Inaugural Youth Ball in January 2009. *Assistant U.S. Attorney Adi Goldstein*



Computer salesman sold counterfeit Viagra, copyrighted movies and software

Ming Yan ordered sildenafil citrate pills (Viagra) over the Internet and sold them at his computer store in North Providence. When agents conducted a controlled delivery to Yan's store of a package containing 372 sildenafil citrate pills, they also noticed copies of copyright protected movies and equipment used to make multiple copies of DVDs. From the store and Yan's home agents seized 1,165 pirated movies. Yan pleaded guilty to misbranding a drug and copyright infringement. *Assistant U.S. Attorney Mary E. Rogers.*



ANTI-TERRORISM

INTELLIGENCE SPECIALST BRIAN J. PIRES

Lessons of Mumbai: the Danger of a Fidayeen/Urban Siege Style Attack

In November 2008, ten operatives with approximately eighteen months of training executed a bold, synchronized assault on Mumbai, India. The attack illustrated the ability of terrorist groups to adopt and execute classic military tactics: an amphibious raid and urban siege warfare. Because ninety percent of the world's capital cities are near the sea, an amphibious raid allows for a rapid strike to defeat critical capabilities, including centers of economic power, communication centers, main power stations, intermodal transportation hubs and major seaports with adjacent trade centers. Operational surprise of amphibious landings allows forces to take the initiative and gain operational momentum. The rapid employment of forces from the sea allowed ten attack operatives to strike at decisive points while creating a cascading, chaotic and overwhelming situation for the Mumbai forces.

Amphibious landing allowed foreign operatives to breach India's border through amphibious



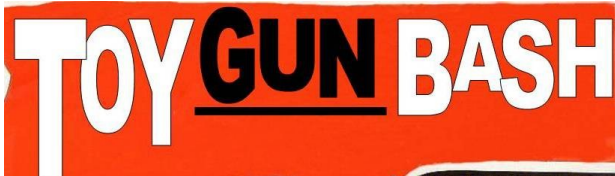
forcible entry, undetected and unopposed, with enough firepower, explosives and logistics to sustain a sixty hour siege on India's capital city. The amphibious attack on Mumbai was a sequenced and synchronized tactical operation producing operational effects supported by command and control (C2) operating in Pakistan. Intelligence preparation of the operational environment was allegedly conducted by an American citizen, David Headley.

Synchronized attacks aided by satellite phones, Google Earth, cell phones, GPS and uninterrupted C2 allowed operatives to strike, seize, hold and ultimately destroy decisive nodes. Operatives benefited from sea mobility, prepositioned logistics, and accurate and timely intelligence on space and force factors in the operational area.

The targeting of the Nariman House (Jewish Chabad), select killing and torture of Jews, Americans and Brits and the selection of hotels serving wealthy western capitalists indicate that the Mumbai attack was not simply a strike for Kashmiri independence but rather was a major operation that was part of a greater strategy of the global Salafi Jihadist movement to economically bleed and demoralize western style democracies.

That terrorist organizations have employed amphibious operations adds a new dimension: the ability to circumvent increased border security while rapidly deploying operatives who can produce mass casualty and economic impact.

PARTNERS AT WORK



The Rhode Island Attorney General, in conjunction with Project Safe Neighborhoods, the City of Providence and several other organizations, held its latest Toy Gun Bash at Pleasant View Elementary School in Providence. The object is to have children turn in toy guns in exchange for other toys. The toy guns are then crushed in a “Bash-O-Matic.” The Bash featured a three-point shot contest, a live Hot 106 radio broadcast and a seasonal visit by Santa Claus.



ILLEGAL MERCURY STORAGE (FROM PAGE 1)

A federal jury found the company guilty of illegally storing mercury. At \$50,000 for each day of violation, the company was exposed to a potential \$38 million fine. Judge William E. Smith fined the company \$6 million and ordered it to pay an additional \$12 million in various increments to public and non-profit entities: the Rhode Island Foundation, the Red Cross, Hasbro Children’s Hospital, the Pawtucket Fire Department, the DEM Environmental Response Fund, and a fund to develop recreational projects in Pawtucket. The Rhode Island Foundation is to use \$11 million for environmental remediation and education projects, and for children’s health initiatives. *Assistant U.S. Attorney Terrence P. Donnelly, DOJ Environmental Trial Attorney Kevin Cassidy, EPA-CID Attorney Diane Chabot.*



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